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SUBJECT: SCENESETTER FOR CONGRESSMAN POE'S MAY 30-JUNE 1 VISIT

1. (SBU) SUMMARY: Representative Poe, Embassy Sofia warmly welcomes you and looks forward to a very successful May 30 - June 1 visit. Your visit comes at an important time - just one week before European Parliamentary Elections and five weeks before Bulgaria's national elections. The current Socialist-led, three-party coalition government is on its last legs, and the upcoming elections are expected to usher in a major transformation of the political landscape. Bulgaria has proven itself to be a strong and reliable ally in international security and a willing partner in counter-terrorism, border security and counter-narcotics cooperation. In Sofia, you will meet with the President's Chief of Staff and top advisor, Nikola Kolev. In Plovdiv, Bulgaria's second-largest city and former capital, you will meet directly with our key partners on three of our Mission's highest priorities: defense cooperation, counter-narcotics and trafficking in persons. Your visit will reaffirm the value the United States places on our strategic partnership with Bulgaria and our enduring interest in combating trans-national threats in the region. Stressing the importance of concrete actions and demonstrable results on these issues will help maintain the momentum of our cooperation as we move through a change in government. END SUMMARY.

2. (SBU) POLITICAL CHANGE COMING: The Socialist-led coalition government is limping toward the finish of its four-year mandate. The government has followed a trans-Atlantic course, supported U.S. foreign policy goals (such as in Iraq, Afghanistan and Kosovo) and presided over Bulgaria's European Union accession in January 2007. But the government has gradually lost steam and will not survive the upcoming elections in its current form. A new center-right party, GERB, led by the mayor of Sofia, Boyko Borisov, is widely expected to lead the next government, though its composition and orientation are not yet clear. Despite EU and NATO membership, much of the Bulgarian population remains reflexively pro-Russian. While U.S. partnership is dearly important to the government, its leadership seeks way to deepen cooperation with us, without angering Russia.

3. (SBU) WEATHERING THE ECONOMIC STORM: Bulgaria is finally feeling the effects of the global financial crisis. After five years of impressive GDP growth (averaging seven percent annually), foreign direct investment and remittances are down, tourism revenues are sagging, key industries are in major contraction, the real estate and construction sectors are declining, exports are shrinking and unemployment is creeping higher. The IMF predicts the Bulgarian economy will contract by three percent in 2009 and a further one percent in 2010. Still, Bulgaria is muddling through. In contrast to many East European neighbors, Bulgaria entered the crisis in relatively strong shape. A policy of fiscal conservatism translated into consecutive years of budget surpluses and left the country with healthy buffers and allowed it to avoid (at least for now) the financial turbulence seen in many of its neighbors.

4. (SBU) COUNTER-NARCOTICS COOPERATION: The transit of heroin from Afghanistan through the Black Sea region is a growing concern to the United States. Strategically situated on Balkan transit routes, Bulgaria is vulnerable to illegal flows of drugs, people, contraband, and money. Heroin distributed in Europe moves through Bulgaria from Southwest Asia, while chemicals used for making heroin

move from Europe through Bulgaria to Turkey and the Middle East. Drug trafficking profits help fuel corruption in Bulgaria and exacerbate rule of law challenges. Organized crime groups, which have operated openly in Bulgaria in the past, are moving into legitimate business operations or slowly legitimizing themselves, making it difficult to trace the origins of their wealth.

15. (SBU) In recent months, close cooperation between DEA and Bulgarian law enforcement authorities has achieved important successes in attacking drug trafficking and going after dirty money. Within the beleaguered and widely corrupted law enforcement and judicial system, we have identified people we trust and can work with to get the job done. Over the past year, our Bulgarian colleagues made record seizures of heroin at their borders. Despite these discreet successes, Bulgaria still has a long way to go to strengthen border and territorial controls, law enforcement agencies' operational capabilities, and internal oversight. In addition, lack of financing and inadequate equipment to facilitate narcotics searches; widespread corruption, especially in the Customs offices and among the judiciary; and excessively formalistic judicial procedures continue to hamper counternarcotics efforts. As part of our anti-drug trafficking strategy, we are urging the Bulgarian authorities to go after drug profits and step up the fight against money laundering. You will have a chance to discuss our law enforcement partnership in more detail when you meet with the Chief of the Bulgarian Criminal Police, Kalin Georgiev and the Director for Combating Organized Crime, Stanimir Florov in Plovdiv.

16. (SBU) FIGHTING TRAFFICKING IN PERSONS: Bulgaria remains a source, transit, and, to a lesser extent, a destination country for the trafficking of men, women and children. The State Department's Annual Trafficking in Persons Report ranks Bulgaria as a Tier 2 country, which means that the Bulgarian government does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. Victims from Moldova, Romania, Russia, Ukraine, and Uzbekistan are trafficked to and through Bulgaria to Germany, Italy, the Netherlands, and other Western European countries for commercial sexual exploitation and forced labor. Around 15 percent of identified trafficking victims in Bulgaria are children. Trafficking of victims within Bulgaria's borders, primarily to resort areas along the Black Sea coast, and in border towns with Greece, for the purpose of commercial sexual exploitation, remains a serious problem.

17. (SBU) Thanks to international community, Embassy, NGO and private citizen outreach, Bulgarian officials are becoming increasingly aware of this issue and as a result we have scored some recent successes: a bill to legalize prostitution was rejected, the National Anti-trafficking Commission was strengthened and two municipal councilors implicated in human trafficking were arrested. In 2008, the Bulgarian government opened three new centers for children victims of violence, bringing the total number to six nationwide, and opened its first government funded shelter for adult trafficking victims in Varna in April 2009. Bulgarian law enforcement still faces significant challenges in this sector, including well-organized criminal networks, internal discord, and cumbersome criminal legal procedures. You will have the opportunity to discuss these issues in more detail with the Chief of Mission for the International Organization for Migration (IOM) Ilyana Derilova, a leader in the field and a long-time partner of the Bulgarian government and USAID.

18. (SBU) DEEPENING DEFENSE PARTNERSHIP: Bulgaria is a battle-tested ally that has consistently supported U.S. foreign policy in the security arena. Following U.S. leadership, Bulgaria recognized Kosovo as an independent country despite the objections of its neighbors; it has deployed 117 peacekeepers in Bosnia and 42 in Kosovo. Bulgaria participated alongside U.S. forces in Iraq from 2003 until the end of last year, when (at the Government of Iraq's request), the Bulgarian mission was concluded. In Afghanistan, Bulgaria has steadily increased its troop contributions and currently has just under 500 soldiers in country, with the bulk of these forces in Kandahar. Bulgaria's steadfast commitment in these areas despite widespread public opposition to military deployments and the country's relatively small size and GDP is a testament to the importance the government attaches to its strategic relationship with the United States.

¶9. (SBU) You will visit Graf Ignatievo Air Base, our primary platform for U.S.-Bulgaria Air Force cooperation and one of four military facilities in Bulgaria where U.S. forces are allowed to operate under the 2006 U.S.-Bulgaria Defense Cooperation Agreement. The U.S. Air Force trains at least twice a year with its Bulgarian counterparts at Graf Ignatievo, and we regularly conduct joint U.S.-Bulgaria VIP and media day events at the air base. The 301st fighter wing (Air Force Reserve Unit) out of Fort Worth, TX will deploy ten F-16s to train with the Bulgarians at the base this September. Graf Ignatievo is the Bulgarian base of highest strategic importance to NATO, since it boasts the only NATO standard runway in the country. The Bulgarian government looks to us for advice and leadership as it undertakes military modernization, especially on obtaining multi-role fighters for its badly aging and Russia-dependent Air Force. You will have a chance to discuss our ongoing cooperation in more detail with the Base Commander of Graf Ignatievo, BGen Rumen Radev, one of the rising stars of the Bulgarian Armed Forces and one of the Embassy's most engaging contacts.

¶10. (SBU) COMMENT: Although the government faces significant challenges on corruption and domestic reform issues, Bulgaria is an active partner and can play a greater leadership role in the region. Our support will encourage the government to build its international security capacity, protect its borders, fight transnational crime, prevent money laundering and upgrade public integrity and accountability. Your visit will highlight our robust and deepening security relationship and advance our larger strategic cooperation with Bulgaria on regional stability and rule of law.

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